

# All eyes on mobile value added services

CONSUMER GLOBAL MOBILE

05 JUL 2010

Mobile gaming technology to educate rural kids, trading information to farmers, mobile advertising platforms, music and movie downloads, games and a lot more...

The ubiquitous mobile phone has come a long way since it first appeared in India about a decade ago.

Today, mobile phones are not just about making and taking calls – they are boosting India's m-commerce with both India's central bank and the market regulator mulling over proposals to allow active trading via mobile phones. While the Blackberry has become a lifeline for a million urban Indians, the rural junta has not been left behind in the race, as telecom operators slug it out to capture the biggest slice of India's growing rural markets.

According to research firm Gartner 'mobile applications with money transfer via short message service' lead the list of top 10 most used mobile applications, followed by 'mobile search' to drive sales and marketing opportunities on the phone, 'mobile browsing', 'mobile advertising' and 'mobile music'.

Most kids in rural India do not have access to formal education and often end up working on the farms during the day. So to help reach out to these children, an inspiring project, Millee, is under consideration, which uses mobile gaming technology to enhance access to literacy among children of school-going age in the developing world. "It is a very interesting and encouraging initiative." said Sidhartha Bezborra, who regularly writes about technology and telecom on his blog [www.wirelessduniya.com](http://www.wirelessduniya.com). "Another very interesting project is farmers using a phone to water their farmland in Gujarat."

In december 2009, infosys announced the launch of Flypp™, an application platform that has delighted digital consumers with a host of ready-to-use experiential applications across a universe of devices. Mapmyindia, in partnership with Sygic, has launched mobile apps that give the user street level directions, and lets them search across points-of-interests (PoI) on their mobiles without the need for a data plan. That's not all... mobile trading will soon be a reality, and India's markets regulator SEBI is currently working on the final guidelines.

According to SEBI's proposal, brokers who provide internet-based trading are eligible to use wireless technology after getting approvals from stock exchanges. The net worth requirement per broker is proposed at Rs 50 lakh if he provides the facility on his own. In case a service provider provides the internet trading facility on behalf of a group of brokers, the net worth criteria stipulated by his stock exchange will apply. Already, Nokia has partnered with ITC e-Choupal to offer personalized agri-services on the Nokia Life Tools to e-Choupal network. And, information giant Thomson Reuters' latest offering for farmers, Reuters MarketLite, is already "all the rage" among the village folks who use information on seeds, weather and other farm inputs regularly.

With intense competition driving down tariffs, mobile operators in India are increasingly

focusing on value added services (VAS) to generate revenues. VAS, which covers the entire gamut of services from downloads of movies and music, to sms and mms, ringtones, callertunes and games, has been on a solid footing globally, but given the low base and the familiarity with information technology, it is witnessing exponential growth in India. The global VAS industry is growing at about 40-50 per cent, but the Indian VAS market has seen growth rates of 60 percent in recent years. It is estimated to touch 251 billion rupees (\$5.5 billion) in 2009/10, on the back of a pool of more than 500 million mobile customers.

Although most Indian consumers are not very comfortable with non-voice usage of their mobile phones, that trend is gradually reversing, helped by the entertainment sector, with music and film companies, game makers and television channels aggressively entering the mobile content market. Around 60 percent of all Vas revenue currently comes from music downloads and ringtones, and driven by a huge youth market, demand for gaming, mobile imagery and streaming audio and video is rising.

Recently, IMImobile, the global service creation partner for operators, media providers and enterprises launched DaVinci Social, a white-labelled service that enables people to easily manage their mobile digital social life. It is apparently the first Bollywood streaming application ready on Nokia s60 5th edition devices and streams Bollywood songs, movie trailers, director's cuts etc. "When the internet came, people hardly thought it would be useful and look where it has gone now. so having access to high speed internet on mobiles with 3G will allow people to do a lot more of the stuff they are now doing on their laptops, at the same speed," says Suraj Nalin, a software engineer working at Yahoo!

A recent study by consultancy Informatel Mobile Intelligence revealed that mobile users spend 15-20 minutes on messaging activities daily, while 40-45 minutes are spent on entertainment where users listen to a minimum of 2-3 songs and click 15-18 photos in a month. The study also revealed that card and puzzle categories are the most favoured among gamers in India. With its mobile subscriber base growing rapidly, advertisers in India are also adopting innovative ways of reaching out to the consumer on their mobiles. While basic promotional sms alerts are used by everyone- from small businesses to national-level politicians, advertisers are focusing on more complex mediums such as

embedding promotions within mobile games.

Indian telecom firms currently draw only a small portion of their revenues from Vas, but this will likely grow to about 18-20 percent in 2010, and once 3G services are launched in the country in 2010, this could increase further. The Average Revenue Per User (ARPU) from non-voice services, including data card access and sms, is expected to rise from 9 percent now to about 25 percent. Data services should see a surge in adoption and usage. High-speed applications will open up a lot of possibilities of innovative Vas enabling diverse infotainment service opportunities in this film and cricket-focused country.

CONSUMER GLOBAL MOBILE